

**BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2014-346-WS**

IN RE:)	
)	
Application of Daufuskie Island Utility)	RESPONSE REGARDING
Company, Inc. for Approval of an)	CONFIDENTIALITY OF
Adjustment for Water and Sewer Rates,)	LEGAL INVOICES
Terms and Conditions.)	INCLUDED WITH PREFILED
<hr/>)	EXHIBIT DMH-1

In response to Standing Hearing Officer Directive 2017-74-H, the Applicant, Daufuskie Island Utility Company, Inc. (“DIUC”), provides the following:

1. On November 16, 2017, the Office of Regulatory Staff (“ORS”) submitted the prefiled Rehearing Testimony of Dawn M. Hipp, which included an exhibit marked Rehearing Exhibit DMH-1.
2. The Rehearing Exhibit includes the invoices and documentation of DIUC’s proposed rate case expenses.
3. These invoices were provided to the Office of Regulatory Staff in response to ORS’s First Continuing Audit Information Request in Proceeding on Remand No. 1.12 which required DIUC to “[p]rovide detailed invoices and other documentation to support all rate case expenses incurred since August 11, 2015 for which the Company is seeking recovery.”
4. In response to Request 1.12, DIUC produced copies of various invoices and other cost documentation. DIUC also provided copies of legal bills with task and work descriptions for each time entry for the period from June 2014 through September 2017 (“the legal invoices”).

5. DIUC's responsive documents (that now comprise Rehearing Exhibit DMH-1) were all marked CONFIDENTIAL.
6. DIUC marked the legal invoices CONFIDENTIAL when they were submitted as part of DIUC's response to Request 1.12 because the task and descriptions may include attorney work product and privileged information.
7. ORS reviewed the legal invoices and determined that 15 time entries from the submitted legal invoices were not related to rate case matters. *See* Rehearing Exhibit DMH-3 identifying the specific time entries.
8. DIUC will not dispute the ORS exclusion of the 15 time entries totaling \$1,470.00 as set forth in Rehearing Exhibit DMH-3, because the task descriptions do not clearly indicate the time was rate-case related.
9. ORS has not disputed any other time entries in the legal invoices.
10. ORS has raised issues with regard to some of the non-legal invoices and costs included by DIUC as rate case expenses. Those invoices will presumably be the subject of testimony before the Commission.
11. Because the legal invoices contain potentially privileged information and attorney work product, including strategy and description of case as well as appeal theories, DIUC seeks to have the legal invoices protected either by exclusion from the record or by appropriate confidentiality protection.
12. In addition to DIUC, the undersigned counsel asks the Commission to protect these detailed legal invoices describing tasks, analysis, and strategy covering a three-year period. These legal invoices should not be made available to the

public at large, particularly when the form, content, and validity of the entries and invoices are not at issue or in debate in the case.

13. There is no public benefit served by releasing the individual legal invoices.
14. There is adequate information about the legal rate case expenses available to any person interested in this case.
15. Specifically, Exhibit JFG-R3 includes the totals for each legal invoice in chart form.
16. Exhibit JFG-R3 is not confidential and is available to the public (copy attached).
17. Exhibit JFG-R3 sufficiently addresses any need for information about the non-disputed rate case expenses constituting legal services.
18. Including this information in chart form provides sufficient detail of the costs approved by ORS while also protecting the matters contained in the descriptions of the specific invoices, again, particularly when the validity of the entries and invoices are not at issue or in debate in the case.

WHEREFORE, DIUC respectfully requests the legal invoices contained within Rehearing Exhibit DMH-3 be treated as CONFIDENTIAL and maintained under protection from distribution.

Respectfully submitted,

/s/ Thomas P. Gressette, Jr.

Thomas P. Gressette, Jr.

Direct: (843)-727-2249

Email: Gressette@WGFLAW.com

WALKER GRESSETTE FREEMAN & LINTON, LLC

Mail: PO Box 22167, Charleston, SC 29413

Office: 66 Hasell Street, Charleston, SC 29401

Phone: 843-727-2200

November 28, 2017
Charleston, South Carolina

CERTIFICATE OF SERVICE

This is to certify that on November 28, 2017, I caused to be served upon the counsel of record named below a copy of the foregoing by electronic mail, as indicated.

Standing Hearing Officer David Butler at David.Butler@psc.sc.gov

Andrew M. Bateman, Esq. at abateman@regstaff.sc.gov

Jeff Hayes, Esq. at jhayes@regstaff.sc.gov

John J. Pringle, Esq. at jack.pringle@arlaw.com